

Abstract

In developing countries such as Indonesia, generally existing companies are identical to the ownership structure owned by an individual or family as the controller. Based on a survey conducted by a public accounting firm, PwC, in 2014, it was found that 60% of listed companies in Southeast Asia are family companies, while more than 95% of businesses in Indonesia are family owned.

Based on PSAK No. 7, a related party is a person or entity that is related to the entity that prepares the financial statements. The following are classified entities that have a relationship with the reporting entity. Meanwhile, PSAK No. 7 also explains that a transfer of resources, services or obligations between the reporting entity and related parties, regardless of whether a price has been charged.

This study aims to examine whether the audit committee, independent commissioners, institutional ownership, managerial ownership and earnings management affect the disclosure of related party transactions. This study uses trading sector companies and financial institutions listed on the Indonesia Stock Exchange (IDX) in 2017, 2018, and 2019 which are used as research samples. Hypothesis testing in this study using Multiple Linear Regression Analysis with SPSS version 25 program with a significance level of 5% (0.05).

The results showed that the audit committee and earnings management chose a significant effect on the disclosure of related party transactions. Meanwhile, independent commissioners, institutional ownership, managerial ownership do not have a significant effect on the disclosure of related party transactions

Keywords: audit committee, independent commissioner, institutional ownership, managerial ownership and earnings management affect the disclosure of related party transactions